

WASHINGTON, D.C. — Congressman Steve King (R-IA) and Congressman Connie Mack (R-FL) have introduced the Davis-Bacon Repeal Act (H.R. 2900), which would repeal the wage rate requirements mandated by the Davis-Bacon Act. The legislation was referred to the Committee on Education and Labor.

The Davis-Bacon Act, a Depression-era wage subsidy law, requires that each public works contract over \$2,000 contain a clause that mandates “prevailing” wages be paid. Contractors and subcontractors are forced to pay a “prevailing wage” set by the federal government. These wages, however, rarely resemble local market conditions. Instead, they tend to reflect the inflated pay scale of union workers in the area. Davis-Bacon disproportionately impacts small companies and rural businesses.

"It is wrong for the federal government to impose a union wage scale on small communities and small contractors. A recent government study showed that 'prevailing wages,' as determined by the federal government, were in error 100% of the time," Congressman King said.

"Davis-Bacon prevailing wage requirements are wrong for our country," Congressman Mack said.

"This antiquated provision hinders our economic recovery by making fewer projects and fewer jobs available to fewer people. Instead of pandering to Big Labor, Congress should be fostering a competitive environment for businesses to be able to hire more people for more jobs. And we can start by passing our legislation to repeal Davis-Bacon once and for all."

The Davis-Bacon law discourages small businesses from bidding on public projects because of the difficulty of meeting the complex and archaic reporting rules it requires. And, because it requires the payment of inflated union-scale wages, most small businesses are often priced out of competition – leaving large, unionized firms to divvy up the work to be done under taxpayer funded federal construction contracts.

Davis-Bacon's requirement that workers be paid inflated wages increases the cost of completing federal construction projects. Davis-Bacon wage rates are an average of 22% higher than the standard wage rate in an area. The fact that the American Recovery and Reinvestment Act required the payment of Davis-Bacon wages for all of the construction projects it funded will inflate the cost to taxpayers of completing these projects by \$17 billion.

“The Davis-Bacon Act is nothing more than an out-dated, racially charged, Depression-era wage subsidy law that has no place in the 21st Century market,” Brian Johnson, Executive Director of the Alliance for Worker Freedom, said. **“It is not the job of the ever-expanding federal government to dictate how much private sector businesses should pay their employees. Davis-Bacon wage rates increase the cost of every federally funded construction project by almost \$9 billion and shift that burden onto the taxpaying American family. I applaud Representatives King and Mack for introducing this legislation.”**